

GAO

Testimony

Before the Subcommittee on Veterans Affairs, Housing and  
Urban Development, and Independent Agencies,  
Committee on Appropriations, U.S. Senate

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CHEMICAL SAFETY BOARD

Realigned Management Faces  
Serious Challenges

Statement for the Record by  
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Mr. Chairman and Members of the Subcommittee:

We appreciate this opportunity to provide a statement for the record for use in the Subcommittee's hearing on the fiscal year 2001 budget request for the Chemical Safety and Hazard Investigation Board (the Board), an independent agency. Currently in its third year of operation, the Board's mission is to enhance the health and safety of the public, workers, and the environment by determining the causes of accidental chemical releases and using these findings to promote preventive actions by the private and public sectors. The authorizing statute provides for five Board members, including a chairperson, all appointed by the President. The staff includes investigators, attorneys, and program analysts. The Board is required to submit its budget request to the Congress and the Office of Management and Budget concurrently. For fiscal year 2001, the Board has requested \$9 million, an increase of \$1 million over the prior year's funding. However, the President's Budget requests \$8 million for the Board.

Mr. Chairman, our statement is based on ongoing work for you and Senator Lautenberg. As agreed with your offices, this work is focused on determining the status of the Board's (1) organization; (2) operations; and (3) efforts to update and develop plans, policies, and procedures for accomplishing the Board's mission. Our statement today reflects our work to date and includes information supplementing our recent testimony for the House Appropriations Committee.<sup>1</sup> We expect to complete our work and issue a final report in June 2000.

In summary, to date we have found the following:

- The Board is currently operating under a significantly different organizational structure than was in effect during most of its first 2 years of operation. This new structure requires a majority vote of the Board members for substantive management decisions and delegates some specific responsibilities, such as personnel matters, to

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<sup>1</sup>Chemical Safety Board: Recent Organizational Changes and Status of Operations (GAO/T-RCED-00-101, Mar. 2, 2000).

individual Board members. The current structure represents an interim solution to address two governance issues: the lack of an appointed chairperson since January 2000 and disagreements concerning the roles of the chairperson and Board members. During the first 2 years of operation, the Chairman had individually made substantive management decisions. In addition, the Board has implemented an organizational realignment that dedicates an increased proportion of the Board's staffing resources to its investigations and safety programs, rather than supporting activities. However, only 7 of the 17 investigative and safety positions are currently filled because of, among other things, difficulties in recruiting qualified staff.

- In terms of operations, the Board has made minimal progress in addressing the backlog of incomplete investigations that existed as of April 1999, when we last reported on the Board to this Subcommittee.<sup>2</sup> Specifically, since then, only one of nine outstanding investigations has been completed, and no new investigations were initiated. Most of the Board's current operations and plans are directed at completing its backlog of investigations and the related policies and procedures that support investigations. The Board also plans to initiate two new investigations and one as yet undefined safety study in fiscal year 2000.
- The Board has made some progress in developing needed plans, policies, and procedures, such as those for awarding and managing contracts. However, all of the Board's larger contracts (\$100,000 or more) were executed before the current contracting policies and procedures were established. According to Board officials, the agency has received limited benefit from some of these contracts. For example, the Board is not currently using--and may never use--an information system that cost about \$636,000 to develop. Also, the interim criteria for selecting incidents to investigate are not yet ready for use, and the Board plans to continue to work with external stakeholders representing companies, employees, and the public to refine the process for selecting incidents to investigate. We believe that the Board's initial steps since the management realignment appear to be appropriately targeted to

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<sup>2</sup>Chemical Safety Board: Status of Implementation Efforts (GAO/T-RCED-99-167, Apr. 29, 1999).

addressing the Board's key problems. However, the success of these steps continues to be hampered by difficulties in hiring and retaining investigators.

## **Background**

Chemical incidents--the accidental release of toxic and hazardous chemicals--occur frequently and often have serious consequences. However, according to Board officials, reliable national statistics on the number of accidents, injuries, and deaths do not exist.<sup>3</sup> The Board is an independent agency created under the Clean Air Act Amendments of 1990.<sup>4</sup> The act directs the Board to (1) investigate and report on the circumstances and the probable causes of chemical incidents resulting in a fatality, serious injury, or substantial property damages; (2) recommend measures to reduce the likelihood or the consequences of such accidents and to propose corrective measures; and (3) establish regulations for reporting accidental releases.

The Board has no enforcement authority and a very limited regulatory role. According to a relevant legislative committee report, the Board is modeled after the National Transportation Safety Board, which retained the lead role in investigating transportation-related chemical incidents.

The Board is to consist of five members, including a chairperson, appointed by the President and confirmed by the Senate. The chairperson is the Chief Executive Officer (CEO) of the Board. As of April 2000, the Board has four members but does not have an appointed chairperson.

To accomplish its primary mission, the Board has conducted both full-scale investigations of chemical accidents as well as limited investigations, called reviews. In our April 1999 statement for the record before this Subcommittee, we identified a

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<sup>3</sup>In 1999, the Board compiled statistics from five federal databases, which indicated that about 60,000 chemical incidents occur each year, resulting in about 2,300 injuries and more than 100 deaths. However, the Board recognizes there are serious limitations with these statistics and is developing a plan to determine a more reliable estimate.

<sup>4</sup>The Board did not become operational until 1998 because of funding constraints.

backlog of incomplete investigations. Furthermore, we determined that significant portions of the Board's actual and planned resources were dedicated to activities, such as external relations, that did not directly support the conduct of its investigations.

### **Status of the Board's Organization**

Recently, the Board changed its management responsibilities and functional alignment to address, among other things, conflicts that had arisen over the roles and responsibilities of the Board members. Specifically, in December 1999 and January 2000, the Board developed interim solutions to important organizational issues regarding the roles and the management responsibilities of the Board members. In addition, changes in functional alignment made in 1999 and early 2000 increased the proportion of staffing resources to be allocated to the Board's primary mission of conducting investigations and reduced staffing allocated for other activities, such as external relations and information technology.

### Conflicts Arose Over the Roles and the Responsibilities of Board Members

In 1999, the Chairman and the other members of the Board disagreed over their respective roles and responsibilities for managing the agency. In essence, the Chairman asserted that he had sole control over many significant agency decisions, while the other Board members believed that making these decisions was the collective responsibility of the Board. Consequently, the Board members did not necessarily support the actions taken by the Chairman. For example, they were concerned about the initial fiscal year 2001 budget request the Chairman had sent to the appropriations committees in October 1999 that would have doubled the Board's funding to \$16 million.<sup>5</sup> In addition, according to a Board directive, the Chairman and the Chief Operating Officer did not comply with requests from the other Board members for contracting documents that they wanted to

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<sup>5</sup>On November 16, 1999, the Board members sent a letter to the appropriations committees to state their reservations about the budget request and ask that the Chairman's request be disregarded.

review in order to identify the goods and services that had been provided under the contracts.<sup>6</sup>

The Board members asked the agency's General Counsel to provide a legal opinion on the roles and the responsibilities of Board members. In an August 1999 memorandum, the agency's Office of General Counsel concluded that, for a number of important agency functions, there should be at least some amount of shared responsibility between the Chairman and the other Board members. For example, the memorandum concluded that while the Chairman and his staff were responsible for preparing the agency's budget request, it must be approved by the full Board before being transmitted to the Congress and OMB. Similarly, the memorandum stated that while the use and the distribution of the agency's funds for contracting purposes falls within the scope of the Chairman's administrative functions, the exercise of this authority is subject to the oversight of the other Board members.

In October 1999, the Board members accepted the General Counsel's opinion, but the Chairman requested further legal clarification before implementing the opinion. The Chairman interpreted the Board's authorizing statute as giving him authority, as CEO, over a number of agency functions, including all budget and contracting issues, subject to review only by the President and the Congress. In November 1999, the Board members requested an opinion from the Department of Justice's Office of Legal Counsel on the legal accuracy of the General Counsel's memorandum and agreed to be bound by the opinion.<sup>7</sup> In addition, on December 1, 1999, the Chairman also requested that the Office of Legal Counsel review the Board's authorizing statute to determine the precise roles and responsibilities of the chairperson and the Board, and he agreed to be bound by the Office's conclusion. On the same day, the Chairman and the Board members developed an agreement specifying the interim measures to be taken until the

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<sup>6</sup>The former Chairman told us that he did not agree with the Board members' assertion that they were denied access to contracting files.

<sup>7</sup>The former Chairman told us that prior to the November 1999 letter, he sought assistance from White House officials to help resolve the matter. The officials referred him to Justice's Office of Legal Counsel.

Department of Justice provided its legal opinion. This agreement expanded the roles and the responsibilities of the Board members.<sup>8</sup>

The Board's disagreement about its governance became a matter of public record, reported in newspapers and periodicals. In January 2000, the Chairman submitted his resignation as Chairman and CEO, effective January 12, 2000, but retained his position as a Board member. The President has not appointed a new chairperson, and the Board is currently operating without a chairperson and CEO.

On January 14, 2000, the Board members established and implemented interim operating procedures that delineate their roles and responsibilities whenever the position of chairperson is vacant. The procedures delegate specific responsibilities, such as personnel matters and allocating resources, to individual Board members. In addition, the procedures identify the specific responsibilities, including developing budgets and awarding contracts exceeding \$10,000, that require a majority vote of the Board members for approval.

#### Current Functional Alignment Emphasizes

#### Investigations, but Many Positions Are Vacant

During fiscal year 1999 and the early part of fiscal year 2000, the Board made organizational changes to better carry out its mission. Among other things, the Board increased the proportion of staffing resources to be allocated to its investigative function. However, because of difficulties in recruiting qualified staff, many vacancies exist in the Office of Investigations and Safety Programs. The Board also shifted several key personnel. The former Chief Operating Officer has been assigned to an interim position of special assistant to a Board member, and the General Counsel is assuming the

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<sup>8</sup>On December 1, 1999, Senator Lautenberg sent a letter to the Board stating that his understanding of the statute creating the Board was that it intended the Board as a whole to direct and approve the executive and administrative functions performed by the chairperson.

position of Chief Operating Officer in addition to his legal responsibilities. Also, on February 2, 2000, the Board named a staff member to the position of Director of the Office of Investigations and Safety Programs.

### Increased Resources Allocated for Investigations and Safety

Currently, the Board has 24 staff, including the 4 Board members and a special assistant to the Board. The Board expects to grow to a staff of 40 by the end of fiscal year 2000, with almost all of the growth in the areas of investigations and safety. Table 1 identifies the Board's offices and staffing allocations, both current and planned.

**Table 1: The Board's Current and Projected Staffing Levels, by Functional Office, as of April 7, 2000**

Office	Current staffing	Projected staffing by the end of fiscal year 2000
Board members and staff	5	7 <sup>a</sup>
Chief Operating Officer	1 <sup>b</sup>	2
Investigations and Safety Programs	7	17
General Counsel	3 <sup>b</sup>	3
External Relations	2	2
Information Technology Services	2	4
Administration	4	5
<b>Total</b>	<b>24</b>	<b>40</b>

<sup>a</sup>Currently, the Board has four members and one special assistant. Projected staffing includes the fifth Board member as provided by the Board's authorizing statute.

<sup>b</sup>The head of the Office of General Counsel also serves as the Chief Operating Officer. This individual is included only in the staffing allocated to the Office of General Counsel.

The projected staffing differs markedly from the staffing associated with the Board's budget request for fiscal year 2000. Specifically, in February 1999, the Board expected to grow to a staff level of 60 by the end of fiscal year 2000, compared with current plans to grow to 40 staff.<sup>9</sup> In addition, last year a greater proportion of staff was planned for organizational units that did not directly support the Board's investigative mission. For example, last year, 33 percent of the Board's projected staffing resources at the end of

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<sup>9</sup>The Board's budget request for fiscal year 2000 was \$12.5 million. However, the Congress provided \$8 million for fiscal year 2000. This amount does not support the planned staffing growth to 60 staff.



fiscal year 2000 was allocated to investigations and safety programs, compared with the current projections of 43 percent. Currently, the Board plans to allocate two staff to the Office of External Relations compared with the planned allocation of nine staff a year ago.

#### Vacancies Exist in the Investigations Area

As shown in table 1, 10 of the 17 positions planned for the Office of Investigations and Safety Programs are vacant. Six of the positions are for investigators, and the other vacancies are for two program analysts, one library/researcher, and one administrative assistant. Board officials told us that the vacancies exist because of recruitment difficulties and the loss of two investigators. According to the Board, potential recruits with the requisite chemical safety skills--primarily from the oil and chemical process industries--are highly paid and typically located in areas far from Washington, D.C. Board officials said that it has been difficult to get prospective staff to relocate. In addition, the Board has found that it takes 6 months or longer to recruit and hire staff. This time frame for hiring staff is longer than the Board anticipated. Moreover, according to Board officials, one investigator resigned and another was terminated.

The newly constituted Board has stated its intent to focus on personnel management issues in fiscal year 2000. The Board will concentrate on retaining and retraining current staff and on hiring and training qualified professional staff. Specifically, the Board has identified development of hiring and training plans as priorities for fiscal year 2000.<sup>10</sup> The Office of Personnel Management (OPM) approved the Board's March 17, 2000, request to reinstate through December 2000 special hiring authority (termed Schedule A) that the Board had been granted previously. According to Board officials, this special hiring authority, which it had until December 31, is typically granted to new federal agencies for a limited time period and expedites the hiring process.

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<sup>10</sup>As of March 2000, the Board has identified eight priorities for fiscal year 2000. The other six priorities--completing three investigative reports, revising its investigation protocol and incident selection criteria, and initiating new investigations--are discussed in the following sections.

In its letter to OPM requesting special hiring authority, the Board stated that it had an urgent need to expedite the hiring of investigative and safety personnel to complete its work backlog. The Board's letter stated that with some of its investigations more than 2 years old, it is under pressure from the Congress, stakeholders, and the public to complete the eight outstanding investigations as soon as possible. The letter acknowledged that the Board could face serious consequences, including the possible loss of funding, if it does not hire the additional staff needed to make substantive progress on its investigative backlog.

In its fiscal year 2001 budget request, the Board acknowledged that it may not be able to achieve its fiscal year 2000 hiring goals. The Board has also acknowledged that the governance problems and the management difficulties stemming from them contributed to staff turnover.<sup>11</sup> In addition, the Board believes that more initiatives than the agency could effectively handle were undertaken hastily in its first year of operation in an effort to quickly demonstrate that the Board was meeting its congressional mandate.

### **Status of the Board's Operations**

The Board has not made progress in addressing its investigations backlog this past year and has not initiated a new investigation since March 1999. In addition, the more limited review program was terminated because of problems encountered in performing these reviews. The Board plans to initiate two investigations in fiscal year 2000 and four or five investigations each year beginning in fiscal year 2001. Similarly, in fiscal year 2000 the Board plans to initiate a safety study to better understand the nature and causes of specific safety problems that are beyond the scope of any one particular incident under review and another safety study next year. Also, contracting activities have primarily supported information technology and investigations, but according to Board officials, the agency has received limited benefits for some of its contracts. To avoid contracting for work of limited utility, the Board decided to require a majority vote of the Board

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<sup>11</sup>In addition to the loss of two investigators, Board officials said that five staff from other offices have resigned from the Board.

members to execute small as well as large contracts—that is, approval is required for contracts exceeding \$10,000.

Progress Has Been Slow in Initiating  
and Completing Investigations

The Board investigates accidental chemical releases resulting in a fatality, serious injury, or substantial property damage. These investigations often involve extensive site visits, evidence collection, and analytical work. The Board started five full-scale investigations in 1998 and six in 1999, although none have been initiated since March 1999. Of the 11 investigations, 3 from 1998 have been completed. One report has been completed since March 1999.

Draft reports are in process for three investigations that were started in March 1998, April 1998, and March 1999. Completion of these reports by September 30, 2000, represents three of the Board's eight priorities for fiscal year 2000. The Board has not determined what decisions it will make concerning the other five outstanding investigations. Alternatives include developing investigative reports, issuing summary reports, or concluding the investigations without reports. In addition to the personnel issues discussed above, the Board believes one of the causes of the investigations backlog was an over reliance on contractors to investigate accidents. According to the Board, this over reliance on contractors resulted in some poor investigations and reports because of insufficient Board staff or inadequate procedures to monitor the contractors' personnel to ensure their activities met the Board's investigative needs.

In terms of future investigations, the Board plans to initiate two investigations during fiscal year 2000 and four or five investigations each year beginning in fiscal year 2001.

### Review Program Has Been Terminated

The more limited review program was developed to provide information to prevent future incidents by using an approach that was less resource-intensive than full investigations. The protocol for these reviews provided for a limited, office-based review of investigative reports prepared by the organizations that responded to the incident. The Board initiated a total of 23 reviews in 1998 and 1999. However, Board officials told us that they effectively terminated this program in July 1999 when they decided to add the factual data about these reviews to an existing incidents database maintained by the Board and that the program was officially terminated in September 1999. This decision was made because of problems encountered in performing these reviews, including the longer-than-anticipated time spent in collecting the information and drafting the reports as well as the possibility of duplicating work done by other government agencies.

### Safety Studies Planned

Although they are not among the Board's eight identified priorities for fiscal year 2000, 6 percent of its fiscal year 2000 funding—\$488,000—and seven percent of the Board's budget request for fiscal year 2001—\$670,000—are allocated for special safety studies and technical guidance. The Board plans to use safety studies to better understand the nature and causes of specific safety problems that are beyond the scope of any one incident under investigation. The Board plans to initiate one safety study in fiscal year 2000 and another in fiscal year 2001. As of March 2000, the Board had not selected the study to be initiated this fiscal year, but officials said it would likely evolve from one of the three investigations to be completed in fiscal year 2000. Board officials said that safety studies selected would likely stem from research needs identified in recommendations developed by the Board in its investigative reports. They indicated they would receive, at a minimum, input from other parties to ensure the studies are useful.

Limited Benefits for Some  
Contracting Activities

Since it began operations in January 1998, the Board has obligated about \$4.7 million to 16 contracts of \$100,000 or more.<sup>12</sup> A significant portion--\$2.4 million--of these contracting obligations have supported information technology, such as the creation of data systems and databases, compared with \$1.4 million for investigative support (see app. I). These activities were contracted before the management alignments in December 1999 and January 2000 and the establishment of contracting policies and procedures in December 1999. Prior to the management alignment, contracting actions were the responsibility of the former Chairman and the former Chief Operating Officer, and the other Board members did not have a role in reviewing or approving contracts. In addition, these contracts were made prior to being directed--in the House conference committee report accompanying the Board's fiscal year 2000 appropriations bill--to spend the preponderance of its resources, including contract resources, on investigations and safety instead of on information technology or external affairs.

According to Board officials, the agency has received limited benefits for some of its contracting activities. For example, the Board is not currently using--and may never use--the \$636,000 Incident and Investigation Information System developed by Oak Ridge National Laboratory in 1999 that would catalog information from the Board's accident investigations. The officials said that the investigators and safety program staff who would use this system had limited input into its design. According to Board officials, the system is overly complex and an off-the-shelf database may better meet the Board's needs. While the Board plans to formally evaluate the system to determine its value to the Board, this evaluation is on indefinite hold because of higher priority work for fiscal year 2000.

In addition, Board officials acknowledged that other contracting activities may be of limited value to the Board, such as:

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<sup>12</sup>Contracts for office space or telephone charges are not included.

- **Baseline of Chemical Accidents.** The Board spent more than \$450,000 under two contracts to develop a 10-year baseline of chemical accidents. However, the Board believes these statistics have serious data quality limitations and is developing a plan to determine a more reliable estimate of the universe of chemical accidents.
- **Pressure Relief Systems.** The Board paid about \$326,000 for information on pressure relief systems that are used in chemical processing operations. Board officials said that the information from the study appears to be of limited use to them. A Board member stated that while the contract was designed to assist the Board's investigators and safety staff in their work, the contract proposal was not reviewed by the Board members or the safety and investigations staff for design, purpose, and outcomes. As a result, the product is of lesser value than could have been attained if input from the users and the Board members had been obtained. The Board member said that the other pressing priorities have precluded them from completing their review of the information provided under the contract. He said, however, that the agency needs to develop procedures for the internal technical review of goods and services provided to the Board under contracts.
- As discussed earlier, Board officials also believe that the agency relied too heavily on contractors to investigate accidents, resulting in some poor investigations and reports. They attribute this primarily to insufficient Board staff or inadequate procedures to monitor the contractors' personnel to ensure their activities met the Board's investigative needs.

In addition, given its limited productivity and workload challenges, we have questions about the Board's use of funds to develop an informational video demonstrating the Board's purpose and activities. To date, the Board has paid \$80,000 of the \$160,000 obligated in 1998 for the video. One Board member told us that he did not believe it was appropriate to develop a video at this time. In response to our questions about the views

of the Board members on the need for a video, he said he would raise this issue at the next meeting of the Board.

In January 2000, to ensure that future contracting activities contribute to their overall goals, the Board approved interim operating procedures that require contracts exceeding \$10,000 be approved by a majority vote of the Board members. In addition, one Board member is assigned the responsibility for supervising the use and expenditure of funds, including authorizing contracts between \$2,500 and \$10,000. A Board member said that this new policy will provide greater transparency of proposed contracting actions and avoid contracting for work of limited utility to the Board. In addition, the Board is changing the way it uses contracting support for its investigations. Rather than retaining contractors to perform the investigations, the Board is contracting for specific expertise or tests needed for investigations that are led by Board investigators.

#### **Status of the Board's Efforts to Update and Develop Plans, Policies, and Procedures**

In our April 1999 statement for this Subcommittee, we identified two concerns about the Board's actions.<sup>13</sup> One concern related to the backlog of investigations and the fact that the Board had not updated its initial business plan to reflect the backlog and examine how to address this problem, for example, by reallocating existing and planned resources. The second concern stemmed from the problems with contracting that developed shortly after the Board began operations. We indicated the need for formal procedures for its staff to follow in awarding and managing contracts. As discussed earlier, the House conference committee report accompanying the Board's fiscal year 2000 appropriations act directed the Board to spend the preponderance of its resources, including contract resources, on investigations and safety instead of on external affairs or information technology. This report also directed the Board to complete, by December 31, 1999, an updated business plan, formal policies and procedures for awarding and managing contracts, and formal procedures for selecting and performing

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<sup>13</sup>See footnote 2.

investigations. The Board has made some progress in complying with these directives. Specifically,

- On December 27, 1999, the Board issued formal written procedures for awarding and managing contracts. Also, as discussed above, in January 2000, the Board approved procedures that include requiring contracts exceeding \$10,000 be approved by a majority vote of the Board members.
- On December 27, 1999, the Board issued interim procedures for selecting incidents to investigate and an interim investigative protocol for conducting accident investigations. As of March 2000, the interim selection criteria are being reviewed and thus are not ready for use in selecting incidents to investigate. The Board plans to revise the process for selecting incidents to investigate, continuing to work with stakeholders from industry, public interest groups, government agencies, and labor unions. Similarly, the Board plans to revise its investigation protocol through reviews with stakeholders and external experts on investigative practices. These efforts are among the Board's eight priorities for fiscal year 2000.
- The Board requested an extension of time in developing an update to its business plan because of the former Chairman's announced resignation from that position and the related governance issues. This update will be accomplished by the development of strategic and performance plans required by the Government Performance and Results Act. On February 7, 2000, the Board provided a performance plan for fiscal year 2001 along with its budget request for fiscal year 2001. The Board plans to develop a strategic plan by September 2000.

### **Observations**

The governance issues that arose in 1999 limited the Board's ability to effectively address the problems that we identified almost a year ago--the backlog of investigations and the lack of key plans, policies, and procedures to guide this new agency. The Board's initial steps since the management realignments in December 1999 and January 2000 appear to



be appropriately targeted to addressing these issues. The priorities the Board has established for (1) hiring and training staff and (2) completing investigations and key policies and procedures to support the selection and conduct of investigations are critical ones that the Board must accomplish to demonstrate that it is a viable agency capable of accomplishing its important safety mission in an efficient and effective manner. Along these lines, the Board's decision to review and approve contracts appears prudent given the amount of money that has been spent on contracting activities without apparent direct or immediate benefit to the Board.

The Board is facing many challenges as it seeks to accomplish a number of important tasks with a limited number of personnel to conduct them. While the Board plans to provide more resources to its investigations and safety programs, it is not clear how the backlog will be addressed or when the agency will be in a position to realistically initiate any new investigations. The Board's progress in these areas is limited by difficulties in hiring and retaining investigators and the need to dedicate some of these resources to other priorities, such as revising accident selection criteria and the investigation protocol and developing its strategic plan. Finally, in our view, initiating a safety study this year does not appear essential to the operations of the Board in the short run--as it seeks to establish its credibility--and will divert resources from its priorities.

### **Scope and Methodology**

To review the status of the Board's efforts to carry out its mission, we reviewed documents supplied by the Board related to its organization, planning, budgeting, and programs; personnel data; and contract files. We also interviewed Board employees, including Board members, attorneys, and investigators. We discussed the contents of this statement with Board members, the Chief Operating Officer, and other Board staff, who generally agreed with the facts presented. Based on our discussions, we made revisions as appropriate to reflect the clarifications the Board requested. We conducted our work between January and April 2000 in accordance with generally accepted government auditing standards.

## **Contact and Acknowledgements**

For additional information, please contact David G. Wood at (202) 512-6111. Individuals making key contributions to this statement included Gregory Carroll, Harriet Drumblings, and Christine Fishkin.

### Chemical Safety Board Contracts

The Chemical Safety and Hazard Investigation Board has contracted with a number of vendors since it became operational in fiscal year 1998 using contracts, purchases orders, and agreements. The contracts, purchase orders, and agreements of \$100,000 or more (excluding those for office space and telephone charges) are identified in table 2. The Board obligated about \$4.7 million under these contracts in fiscal years 1998, 1999, and 2000 (up to March 1, 2000). Only one contract over \$100,000 has been executed in fiscal year 2000. As of March 1, 2000, total expenditures under these contracts were about \$3.5 million. The contracts in table 2 are categorized according to (1) information technology, database, and network support; (2) investigative support; and (3) other activities.

**Table 2: Total Obligations and Expenditures from January 1998 Through March 1, 2000, For Contracts, Purchase Orders, and Agreements of \$100,000 or More**

Vendor	Description	Total obligations	Total expenditures
	<b>Information technology, database, and network support</b>		
Oak Ridge National Laboratory (ORNL) <sup>a,b</sup>	<u>Information Technology Infrastructure</u> . Identify functional requirements and develop the Investigation and Incident Notification System to capture information developed and collected from investigations.	\$658,000	\$636,000
Tri-Data	<u>Establishment of chemical incident baseline and database</u> . Analyze and prepare a summary report on 10 years of data from five federal agencies' databases to establish a chemical incident baseline.	350,000	350,000
ORNL <sup>a,b</sup>	<u>Technical support</u> . Assist the Board with library and research work, and regulatory analyses. <u>Strategic Plan</u> . Assist in the development of a 5-year information technology plan.	332,000	60,000
AAC Associates	<u>Network/Helpdesk Support</u> . Provide a senior engineer and support specialist to cover helpdesk support and local area network support.	308,000	39,000
Bell Atlantic	<u>Internet and Intranet web site</u> . Provide one dedicated staff to develop, manage, and administer the web database.	231,000	223,000
Federal Emergency Management Agency	<u>Internet service</u> . Host, update, and administer the Board's web site and e-mail. Provide a 24-hour, 7 days-a-week communications center.	137,000	137,000

<b>Vendor</b>	<b>Description</b>	<b>Total obligations</b>	<b>Total expenditures</b>
Bell Atlantic	<u>Helpdesk support.</u> Provide helpdesk support and local area network support.	\$130,000	\$116,000
General Service Administration	<u>Database support.</u> Provide one dedicated database administrator/developer to develop, manage and administer database requirements, including technical support.	120,000	51,000
Dun & Bradstreet	<u>Baseline study support.</u> Assist the Board in improving the data quality of the five databases used to develop a universe of chemical incidents for 1987 to 1996.	108,000	108,000
<b>Subtotal</b>		<b>\$2,374,000</b>	<b>\$1,720,000</b>
<b>Investigative support</b>			
ORNL <sup>a,b</sup>	<u>Investigative support.</u> Assist the Board in conducting several investigation.	1,006,000	799,000
Battelle	<u>Investigative support.</u> Assist the Board in conducting the Sierra Chemical investigation in Nevada.	410,000	385,000
<b>Subtotal</b>		<b>\$1,416,000</b>	<b>\$1,184,000</b>
<b>Other activities</b>			
ORNL <sup>a,b</sup>	<u>Study.</u> Develop training program and reference materials on process pressure relief systems since many incidents that occur are due to inadequate assessment, design, and installation of these systems.	300,000	326,000
Bureau of Public Debt	<u>Furniture, equipment and support.</u> Provide furniture and equipment in addition to technical support services and organizational development.	255,000	33,000
Rowland Productions	<u>Informational video.</u> Provide a video to publicize the Board's purpose and activities.	160,000	80,000
National Ground Intelligence Center	<u>Software development.</u> Develop a civilian version of military intelligence software to help facilities determine where safety systems were prone to failure and how to best address the problems. Initially planned as a multi-year effort, this contract has been suspended.	100,000	100,000
FPMI Communications, Inc.	<u>Resources support.</u> Provide a full spectrum of personnel management services, including but not limited to, writing position descriptions and preparing recruiting analyses and recommendations.	100,000	19,000
<b>Subtotal</b>		<b>\$915,000</b>	<b>\$558,000</b>
<b>Total</b>		<b>\$4,705,000</b>	<b>\$3,462,000</b>

Source: Chemical Safety Board

Note: Dollar amounts rounded to the nearest thousand. Obligations over \$100,000 for office space and telephone charges are not included.

<sup>a</sup>ORNL conducts work for the Board under one agreement with specific tasks. The Board has been unable to confirm the costs associated with some of the tasks listed in the table. The Board has found discrepancies between the monthly cost reports received from ORNL for work performed on specific tasks and the monthly billing amounts. It is currently attempting to reconcile these differences. For example, expenditures appear to exceed obligations for the task relating to the study on pressure relief systems, but actual expenditures have not yet been confirmed. Because of these problems, on February 15, 2000, the Chief Operating Officer instructed ORNL to stop all work under the agreement temporarily.

<sup>b</sup>All expenditures are as of March 1, 2000, except for Oak Ridge National Laboratory, which is as of March 7, 2000. (160523)